

Medical Assistance Program

General Fund Comparison of Medicaid to the State Budget

Year	State Budget	% Chg	Medicaid	% Chg	% of Medicaid to State Budget	Medicaid Clients	% Chg
1982	408,373,400	----	16,792,200	----	4.11%	28,281	----
1983	442,097,200	8.26%	19,015,000	13.24%	4.30%	28,844	1.99%
1984	456,866,300	3.34%	21,074,100	10.83%	4.61%	29,099	0.88%
1985	556,846,300	21.88%	20,482,200	(2.81%)	3.68%	28,561	(1.85%)
1986	580,703,000	4.28%	20,339,500	(0.70%)	3.50%	28,926	1.28%
1987	622,435,100	7.19%	24,539,700	20.65%	3.94%	30,428	5.19%
1988	658,870,000	5.85%	26,548,500	8.19%	4.03%	31,456	3.38%
1989	699,236,100	6.13%	31,498,500	18.65%	4.50%	33,387	6.14%
1990	784,505,700	12.19%	39,259,500	24.64%	5.00%	36,441	9.15%
1991	911,749,600	16.22%	50,690,900	29.12%	5.56%	47,027	29.05%
1992	996,243,100	9.27%	56,533,100	11.53%	5.67%	60,184	27.98%
1993	1,025,859,900	2.97%	82,598,200	46.11%	8.05%	71,853	19.39%
1994	1,098,360,700	7.07%	87,893,700	6.41%	8.00%	82,366	14.63%
1995	1,268,128,600	15.46%	92,794,300	5.58%	7.32%	82,527	0.20%
1996	1,337,541,800	5.47%	110,369,100	18.94%	8.25%	84,514	2.41%
1997	1,391,773,100	4.05%	124,020,500	12.37%	8.91%	82,756	(2.08%)
1998	1,446,401,100	3.93%	123,802,200	(0.18%)	8.56%	80,990	(2.13%)
1999	1,609,676,100	11.29%	139,171,800	12.41%	8.65%	85,747	5.87%
2000	1,679,768,900	4.35%	162,758,500	16.95%	9.69%	95,869	11.80%
2001	1,828,502,900	8.85%	205,306,700	26.14%	11.23%	122,788	28.08%
2002	1,979,451,500	8.26%	223,145,700	8.69%	11.27%	141,957	15.61%
2003	1,925,457,700	(2.73%)	236,778,700	6.11%	12.30%	152,679	7.55%
2004 *	2,004,053,000	4.08%	256,307,300	8.25%	12.79%	162,938	6.72%
Average Annual Change		7.62%			13.69%	8.69%	

* Medicaid and the state general fund budget reflects the 2004 Original Appropriation.

The average annual growth rate in state general fund expenditures from 1982 to 2004 has been close to 8%, while the average annual growth rate in Medicaid over this same time period has been around 14%. In effect, doubling about every seven years. Medicaid eligibles have grown about 9% annually.

In 1982, Medicaid made-up 4% of the state general fund budget, but that has grown to almost 13% in 2004.

Medicaid was expanded greatly from 1987 through 1994. This was the result of both Congressional and Legislative actions. For example, the federal government expanded Medicaid eligibility and reformed the standards that govern nursing home care. These activities resulted with the enactment of three major federal laws: the Omnibus Budget Reconciliation Act (OBRA) of 1987, the Medicare Catastrophic Coverage Act (MCCA) of 1988, and the Omnibus Budget Reconciliation Act (OBRA) of 1989. In 1990, the Idaho Legislature expanded Medicaid to include personal care services and the following year it expanded Medicaid to include other optional services such as durable medical equipment, soft organ transplants, adult dental, adult vision, adult hearing, and prosthetics.

Beginning in 1999, Medicaid once again began to grow significantly. This was due in part to the Congressional expansion of Medicaid to include another new optional program known as the Children's Health Insurance Program (CHIP), which Idaho subsequently adopted. While only 10,850 children are currently enrolled in the program, many more children and their families have been found to qualify for benefits under the normal Medicaid program after having applied for services under CHIP. Likewise in 2003, the Legislature established a new CHIP Access Card program within Medicaid to expand insurance coverage to uninsured children from low-income families. The benefit payments are scheduled to begin July 1, 2004. With the implementation of this new program, officials estimate that 3,049 clients will be served. It is also estimated that for every client that qualifies under this new program, two more will qualify for either the regular CHIP program or for services under Medicaid. As a result, the CHIP program will see an expansion of 4,573 clients and the Medicaid program will grow by an additional 1,524 at a cost of \$16,226,200 (\$3,409,500 General Fund). The overall fiscal year 2005 General Fund impact, as a result of the expanded CHIP program, is \$4.1 million to cover increased clients, automation requirements, and eligibility.

Medical Assistance Services

Analyst: Burns

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2004 Original Appropriation	233.56	256,307,300	920,396,400	233.56	256,307,300	920,396,400
Reappropriations	0.00	0	2,408,600	0.00	0	2,408,600
1. CHIP Access Card Program	7.00	288,800	2,688,500	7.00	288,800	2,688,500
Other Approp Adjustments	0.00	0	0	0.00	0	0
FY 2004 Total Appropriation	240.56	256,596,100	925,493,500	240.56	256,596,100	925,493,500
Non-Cognizable Funds and Transfers	17.94	(720,900)	104,536,800	17.94	(720,900)	104,536,800
Expenditure Adjustments	0.00	(15,000,000)	(57,526,400)	0.00	(15,000,000)	(57,526,400)
FY 2004 Estimated Expenditures	258.50	240,875,200	972,503,900	258.50	240,875,200	972,503,900
Removal of One-Time Expenditures	0.00	(255,100)	(102,913,600)	0.00	(255,100)	(102,913,600)
Base Adjustments	0.00	1,000,000	1,000,000	0.00	1,000,000	1,000,000
Additional Base Adjustments	0.00	15,000,000	57,526,400	0.00	15,000,000	57,526,400
FY 2005 Base	258.50	256,620,100	928,116,700	258.50	256,620,100	928,116,700
Personnel Cost Rollups	0.00	126,200	341,000	0.00	126,200	341,000
Inflationary Adjustments	0.00	10,303,300	34,973,100	0.00	10,182,600	34,617,100
Replacement Items	0.00	96,200	192,200	0.00	0	0
Nonstandard Adjustments	0.00	28,604,900	101,799,000	0.00	28,466,100	101,510,800
Annualizations	0.00	128,300	7,386,000	0.00	128,300	7,386,000
Change in Employee Compensation	0.00	49,900	134,800	0.00	101,000	272,900
Fund Shifts	0.00	42,400	0	0.00	42,400	0
FY 2005 Total	258.50	295,971,300	1,072,942,800	258.50	295,666,700	1,072,244,500
Change from Original Appropriation	24.94	39,664,000	152,546,400	24.94	39,359,400	151,848,100
% Change from Original Appropriation		15.5%	16.6%		15.4%	16.5%

Medical Assistance Program

Medicaid Administrative Costs for Federal Fiscal Year 2002

Rank	State/District	Medicaid Expenses	Administrative Costs	Percent
1	Washington	5,168,511,470	490,873,523	9.5%
2	Oregon	2,571,560,664	226,191,921	8.8%
3	Hawaii	740,007,314	64,472,204	8.7%
4	Wyoming	274,565,128	23,904,404	8.7%
5	Delaware	634,046,351	54,177,131	8.5%
6	Vermont	660,731,979	55,179,707	8.4%
7	Idaho	773,534,776	62,662,990	8.1%
8	California	26,890,540,967	2,165,421,909	8.1%
9	Illinois	8,809,060,004	700,700,368	8.0%
10	Utah	984,502,099	78,087,725	7.9%
11	Alaska	685,772,985	53,525,999	7.8%
12	Maryland	3,613,476,100	274,488,455	7.6%
13	Oklahoma	2,260,403,490	167,112,579	7.4%
14	Nevada	808,198,344	56,128,326	6.9%
15	Kansas	1,836,717,196	119,768,351	6.5%
16	Nebraska	1,339,132,070	81,988,159	6.1%
17	Arizona	3,541,609,119	214,491,101	6.1%
18	District of Columbia	1,021,772,693	60,012,057	5.9%
19	New Hampshire	1,016,094,814	58,564,265	5.8%
20	Minnesota	4,414,511,470	247,714,024	5.6%
21	Florida	9,871,508,234	528,381,789	5.4%
22	Texas	13,523,486,149	706,759,839	5.2%
23	Virginia	3,812,166,436	187,346,225	4.9%
24	North Dakota	461,401,546	22,525,872	4.9%
25	Georgia	6,241,211,454	302,658,380	4.8%
26	Montana	571,456,455	26,886,645	4.7%
27	Rhode Island	1,358,500,649	62,877,169	4.6%
28	Arkansas	2,237,817,554	103,472,005	4.6%
29	West Virginia	1,584,166,286	73,009,703	4.6%
30	Pennsylvania	12,130,925,035	556,891,243	4.6%
31	North Carolina	6,723,598,560	302,125,603	4.5%
32	Tennessee	5,786,863,330	245,058,265	4.2%
33	Maine	1,068,449,324	45,157,593	4.2%
34	Connecticut	3,456,338,545	145,108,698	4.2%
35	Wisconsin	4,208,896,549	176,646,256	4.2%
36	Indiana	4,448,318,143	181,277,188	4.1%
37	South Carolina	3,292,901,444	133,484,748	4.1%
38	Missouri	5,360,607,640	215,632,683	4.0%
39	Massachusetts	8,063,005,258	317,224,866	3.9%
40	Colorado	2,323,068,699	89,593,331	3.9%
41	New Mexico	1,776,811,688	63,569,631	3.6%
42	Ohio	9,658,040,587	319,681,549	3.3%
43	Alabama	3,093,200,847	101,262,707	3.3%
44	New York	36,295,107,368	1,181,722,131	3.3%
45	New Jersey	7,745,877,997	240,847,423	3.1%
46	Iowa	2,575,146,342	79,808,909	3.1%
47	Mississippi	2,877,013,521	87,664,878	3.0%
48	South Dakota	549,884,391	15,675,093	2.9%
49	Louisiana	4,885,971,853	136,430,738	2.8%
50	Kentucky	3,763,204,047	100,440,133	2.7%
51	Michigan	7,562,053,407	(163,622,489)	(2.2%)
Total		245,351,748,371	11,841,064,002	4.8%

SOURCE: Centers for Medicare & Medicaid Services

NOTE: In FFY 2001, the administrative expenses for Michigan was \$672.7 million ranking them second at 9.3%. The federal report for FFY 2002 from the Centers for Medicare & Medicaid Services, shows Michigan at a minus \$163,622,489 for a minus 2.2%. As to why, it remains unclear.

Medical Assistance Program

Medicaid Provider Payments by Type of Service

(All Funds)

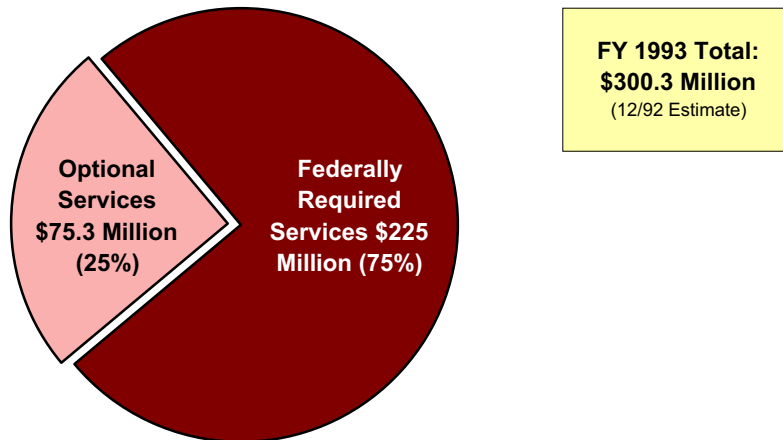
DATA SORTED BY FY 2005 ESTIMATE: HIGH TO LOW

Type of Service	FY 2003 Actual	FY 2004 Estimate	Annual Change	FY 2005 Estimate	Annual Change
1 Inpatient Hospital	127,047,800	145,713,600	14.69%	163,860,400	12.45%
2 Prescription Drugs	128,575,900	136,898,300	6.47%	150,536,900	9.96%
3 Nursing Facilities	127,237,800	124,419,900	(2.21%)	131,103,400	5.37%
4 Waivered Services	91,427,300	91,967,400	0.59%	96,732,900	5.18%
5 Mental Health	54,480,300	67,226,600	23.40%	80,375,800	19.56%
6 Physician Services	49,900,900	54,665,100	9.55%	60,905,100	11.41%
7 Developmental Disability Centers	40,179,700	45,056,300	12.14%	50,430,500	11.93%
8 Outpatient Hospital	37,358,500	37,286,600	(0.19%)	39,056,800	4.75%
9 Intermediate Care Facilities - MR	35,530,400	36,134,000	1.70%	36,734,000	1.66%
10 Personal Care Services	18,479,900	24,824,100	34.33%	30,077,800	21.16%
11 Dental Services	14,900,300	23,367,000	56.82%	26,468,700	13.27%
12 Children's Health Insurance Program	16,184,100	16,675,900	3.04%	24,172,700	44.96%
13 Medicare Parts A & B	16,597,100	17,770,500	7.07%	18,795,000	5.77%
14 Medical Transportation	11,885,400	12,200,300	2.65%	12,458,300	2.11%
15 Disproportional Share Hospital Payments	10,270,800	10,300,000	0.28%	10,554,000	2.47%
16 Targeted Case Management	11,966,300	9,070,900	(24.20%)	10,446,200	15.16%
17 Hospital Upper Payment Limits	10,370,400	9,067,100	(12.57%)	9,930,700	9.52%
18 Laboratory & Radiology Services	8,496,900	8,781,400	3.35%	9,745,300	10.98%
19 Rural Health Clinic Services	6,291,700	7,198,100	14.41%	9,112,000	26.59%
20 Durable Medical Equipment & Supplies	9,054,800	8,425,500	(6.95%)	8,919,800	5.87%
21 Other Practitioners	6,566,400	7,145,300	8.82%	7,884,100	10.34%
22 Home Health Services	7,134,100	7,341,400	2.91%	7,721,100	5.17%
23 EPSDT Services	4,358,000	5,295,700	21.52%	6,453,500	21.86%
24 School District Services	2,999,200	4,296,400	43.25%	5,998,000	39.61%
25 Primary Care Case Management	3,802,600	4,402,600	15.78%	5,057,600	14.88%
26 Federally Qualified Health Centers	3,150,100	4,023,400	27.72%	4,994,800	24.14%
27 Physical Therapy	4,127,400	3,635,500	(11.92%)	3,816,700	4.98%
28 Indian Health Services	2,083,200	2,470,900	18.61%	3,202,300	29.60%
29 Nurse Aide Training/DUR/Miscellaneous	279,200	2,348,500	741.15%	2,348,500	0.00%
30 Breast & Cervical Cancer Expansion	940,100	1,256,500	33.66%	1,844,500	46.80%
31 Group Health Plan Payments	1,464,500	1,492,500	1.91%	1,518,000	1.71%
32 Family Planning	1,173,800	1,248,300	6.35%	1,391,700	11.49%
33 Hospice Benefits	888,900	1,191,600	34.05%	1,345,200	12.89%
34 Prosthetic & Orthotic Services	911,700	1,090,600	19.62%	1,151,900	5.62%
35 Optician Services & Supplies	1,137,000	1,083,700	(4.69%)	1,144,400	5.60%
36 Outpatient Rehabilitation	1,192,900	989,500	(17.05%)	1,061,800	7.31%
37 Sterilizations	635,600	673,700	5.99%	740,700	9.95%
38 Audiologist	299,900	301,100	0.40%	323,700	7.51%
39 District Health	38,000	42,300	11.32%	47,800	13.00%
40 Medical Supplies	139,900	7,400	(94.71%)	8,600	16.22%
41 Abortions	0	0	0.00%	0	0.00%
Total Excluding ISSH and SHS	869,558,800	937,385,500	7.80%	1,038,471,200	10.78%

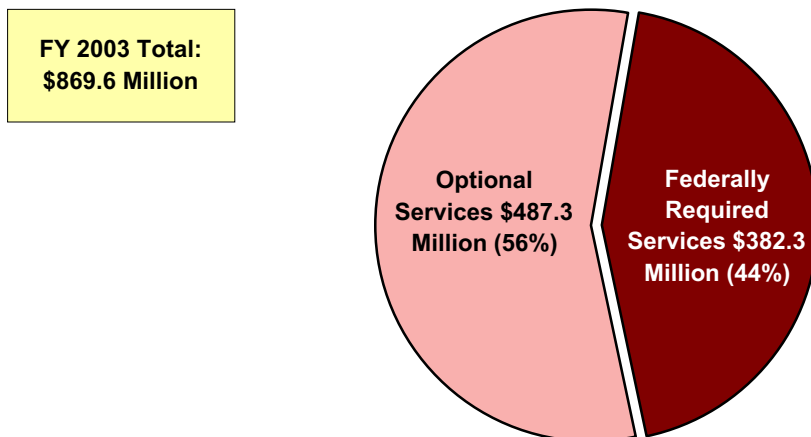
NOTE: The payments to State Hospital South are included in Mental Health Services for 2003. Effective 7/1/2004, funds are directly appropriated to SHS and will no longer be reflected in the provider payment type "Mental Health".

Medical Assistance Program Federally Required vs Optional Medicaid Services

In FY 1993, Expenditures for Federally Required Services Amounted to 75% of the Overall Medicaid Budget with the Cost of Optional Services 25% of the Total.



In FY 2003, Expenditures for Federally Required Services Dropped to 44% of the Overall Medicaid Budget with Optional Services Expanding to 56%.



Required Services. Idaho must ensure that Medicaid clients receive the health care services required by federal guidelines. These mandatory services include physician visits, family planning, laboratory tests, health screening services for individuals under age 21, hospital inpatient and outpatient services, and prescription drugs for children and pregnant women.

Optional Services. Idaho also provides a number of optional services, such as prescription drugs for adults; expanded personal care services; full coverage of prosthetic devices for adults; dental, eye, and hearing services for adults; heart, liver and other organ transplants for adults; payment for services at long-term care facilities for the mentally retarded; adoption and expansion of a children's health insurance program; services for developmentally disabled adults; mental health services for adults; chiropractic and podiatry services; physical therapy; enhanced pregnancy services; breast and cervical cancer services; and services from ambulatory surgical centers.

Medical Assistance Program

Federally Required and Optional Medicaid Services by Service Category

DOLLARS IN MILLIONS

Service Required	Rate Set	Service Category	2003 Actual	Annual Change	2004 Estimate	Annual Change	2005 Estimate	Annual Change
federal	federal	Rural Health Clinic Services	6.3	49.8%	7.2	14.4%	9.1	26.4%
federal	federal	Hospice Benefits	0.9	51.9%	1.2	35.0%	1.3	8.3%
federal	federal	Federally Qualified Health Center	3.2	88.7%	4.0	27.0%	5.0	25.0%
federal	federal	Indian Health Services	2.1	27.7%	2.5	20.0%	3.2	28.0%
federal	federal	Hospital DSH	10.1	0.5%	10.3	2.0%	10.6	2.9%
federal	state	Nursing Facility	124.2	6.0%	124.4	0.2%	131.1	5.4%
federal	state	Physician Services	49.9	1.8%	54.7	9.6%	60.9	11.3%
federal	rule	Hospital	159.0	14.3%	172.9	8.7%	188.8	9.2%
federal	rule	Laboratory/Radiology Services	8.5	9.6%	8.8	3.6%	9.7	10.2%
federal	rule	EPSDT Services	4.4	13.6%	5.3	21.6%	6.5	22.6%
federal	rule	Medical Transportation	11.9	1.8%	12.2	2.6%	12.5	2.5%
federal	rule	Family Planning	1.8	8.2%	1.9	5.0%	2.1	10.5%
state	state	ICF/MR Care	35.5	2.8%	36.1	1.6%	36.7	1.7%
state	state	Aged/Disabled-Waiver	52.0	12.4%	49.7	(4.4%)	50.8	2.2%
state	state	Personal Care Svs Plan	18.5	23.8%	24.8	34.2%	30.1	21.4%
state	rule	Prescribed Drugs	128.6	12.6%	136.9	6.5%	150.5	9.9%
state	rule	Dental Services	14.9	(26.9%)	23.4	57.0%	26.5	13.2%
state	rule	ISSH/DD Waiver	38.2	24.0%	41.1	7.6%	44.7	8.8%
state	rule	TBI Waiver	1.2	67.0%	1.2	(1.4%)	1.2	0.0%
state	rule	Targeted Case Management	12.0	(11.4%)	9.1	(24.0%)	10.4	14.3%
state	rule	Development Disability Center	40.2	26.4%	45.1	12.2%	50.4	11.8%
state	rule	Durable Medical Equipment	9.1	6.6%	8.4	(7.2%)	8.9	6.0%
state	rule	Inpatient Mental Health	9.0	9.4%	9.7	7.3%	10.3	6.2%
state	rule	Medical Supplies	0.1	(26.9%)	0.0	(99.3%)	0.0	0.0%
state	rule	Miscellaneous Services	13.4	6.7%	17.2	28.1%	19.9	15.7%
		<i>Outpatient Rehab</i>	1.2	4.9%	1.0	(16.2%)	1.1	10.0%
		<i>School District Services</i>	3.0	30.7%	4.3	43.4%	6.0	39.5%
		<i>Nurse's Aide Training</i>	0.3	0.0%	2.3	723.7%	2.3	0.0%
		<i>District Health</i>	0.0	(72.5%)	0.0	(97.4%)	0.0	(90.0%)
		<i>Other Practitioners</i>	8.9	2.0%	9.6	7.7%	10.5	9.4%
state	rule	Breast & Cervical Cancer	0.9	0.0%	1.3	38.3%	1.9	46.2%
rule	federal	Home Health Services	7.1	3.7%	7.3	2.3%	7.7	5.5%
rule	federal	Medicare Parts A & B	16.6	13.6%	17.8	7.2%	18.9	6.2%
rule	rule	Physical Therapy	4.1	2.5%	3.6	(12.8%)	3.8	5.6%
rule	rule	Group Health Plan Payments	1.5	(9.7%)	1.5	2.4%	1.5	0.0%
rule	rule	Mental Health	45.4	21.3%	57.5	26.5%	70.1	21.9%
rule	rule	Inst Mental Disease-SHS	3.0	0.1%	0.0	(100.0%)	0.0	0.0%
rule	rule	Healthy Connections	3.8	91.4%	4.4	15.7%	5.1	15.9%
rule	rule	Ambulatory Surgical Centers	5.4	11.3%	10.1	88.5%	14.2	40.6%
rule	rule	Child Health Program (Title XXI)	16.2	(3.2%)	16.7	3.2%	24.2	44.9%
rule	rule	Hospital Upper Payment Limit	10.4	0.0%	9.1	(12.5%)	9.9	8.8%
Total Expenditures			869.6	11.9%	937.4	7.8%	1,038.5	10.8%
Percent Change				11.9%		7.8%		10.8%